



Chatham County, NC

Meeting Minutes

Board of Commissioners

Tuesday, May 23, 2023

9:00 AM

Agriculture and Conference Center

Budget Work Session

CALL TO ORDER

Chair Howard called the meeting to order at 9:03 am.

Present: 5 - Vice Chair Mike Dasher, Commissioner David Delaney, Chair Karen Howard, Commissioner Katie Kenlan and Commissioner Franklin Gomez Flores

BOARD PRIORITIES

[23-4775](#)

Introduction

Attachments: [Work Session Presentation FY24 Final](#)

County Manager Dan LaMontagne welcomed the Board to the Budget Work Sessions. He presented the recommended budget developed by staff at the May 1st meeting and at both public hearings. Now this budget is the Board's budget. The staff are here to help make any desired changes of the Board.

Chair Karen Howard said the Board is aware of the challenge of retaining staff and is interested in that. She said she would like to hear from Mr. Butts before jumping to that conversation. Budget Director Darrell Butts said he would give a brief review of what was presented in January at the retreat. There are known expenses included in the Chatham County Schools' summary and health insurance cost increase. Vice Chair Dasher asked if the charter school transfer was unforeseen. Mr. Butts said the number of resident students that attend charter schools have funds that follow the student to whichever county they attend, so that number can fluctuate.

[23-4776](#)

General Fund Revenue

Commissioner Gomez Flores asked who has access to the County fiber. Is it only available for government purposes? Mr. Butts said the purpose is to extend the fiber line to Siler City using American Rescue Plan Act (ARPA) funds. The County cannot provide fiber to residents legally as a service. The County hopes that funding the front-end construction costs of providing a path for the fiber will attract third-party Internet Service Providers (ISP) to branch off the County's path to serve residents. Mr. LaMontagne said the County will install its own fiber and work with a third-party vendor to install dark fiber that can be accessed by the ISPs.

Mr. LaMontagne hopes to get grant funds for the Granular Activated Carbon upgrade between now and year seven of the CIP, which is when it is scheduled.

Commissioner Gomez Flores asked if the convention tattoo permit must be paid for every convention. Mr. Butts and Mr. LaMontagne said the permit would be good for a year just like it would be for a tattoo brick-and-mortar business.

Commissioner Gomez Flores asked if the County has ever tried a different mechanism for fees for tournaments, like partnering with nonprofits to give them the space for free if they were willing to provide maintenance. Mr. Thompson said the County has primary sports providers. If the service/sport can be provided by a separate group they get preferred access and the County can negotiate the cost. A nonprofit offering maintenance has not been something that has come up before. Mr. LaMontagne said if the County were to enter into an agreement they would have to be the only one due to competition.

Chair Howard had a question about the sales tax leakage to surrounding counties and if there is another mechanism. Mr. LaMontagne said it has been difficult to track. A lot of what staff are seeing with the growth coming in Moncure is that it doesn't have a shared zip code. The growth coming to Siler City means there also isn't a shared zip code. This is great for all the building materials being delivered to those parts of the county. Mr. Butts does reach out to the NC Department of Revenue when he hears of instances of sales tax being credited to another county. Goods are based on the delivery address and zip code. Online retailers are much better because they know they must get the nine-digit zip codes for all their transactions. Commissioner Gomez Flores said some Siler City addresses have spread into Randolph County and asked if that hurts the CAM megasite. Assistant County Manager Bryan Thompson said that would be a problem for Randolph County if things delivered there were credited to Chatham based on a Siler City address. Commissioner Gomez Flores asked who assigns zip codes are assigned. Mr. LaMontagne said the federal US Postal Service.

Mr. LaMontagne said the County is relying more heavily on its sales tax revenue than it typically does. It is a variable revenue source, and it cannot be guaranteed. Staff are not being as conservative with County estimates as they have in the past but are comfortable with the current estimates. Mr. Butts said staff are comfortable with their 5% projection year over year.

[23-4777](#)

General Fund Expense

Mr. Butts said staff had to find a way to cut some of the requests back to bring forward a balanced budget. They looked at every department's expenditures and identified areas to cut back in every department. Most of the departments understood and saw that these steps were to make sure there could be a salary increase recommended in the budget and that the budget still be balanced.

Vice Chair Dasher asked how often staff looks at the rental fees at the Agriculture and Conference Center. Assistant County Manager Carolyn Miller said staff are going to look at that in more detail this fiscal year. The fees have not changed since the building opened and it opened at a higher rate and staff quickly realized they had to bring those fees down.

Commissioner Gomez Flores asked if it is too much of an expense to have the county attorney full-time. Ms. Miller said the staff have looked at this over the years. The county attorney has a lot of individual knowledge, but he also has a huge firm at his disposal in a whole host of areas. It would be hard for the County to find an attorney that would have all the knowledge a Board attorney needs. Chair Howard said counties with in-house attorneys still have firms on retainer. Commissioner Kenlan asked if the

Board could see how attorney offices and fees compare across NC counties. Ms. Miller said that is included as a metric in the UNC School of Government salary survey. Ms. Miller will provide that to the Board.

Mr. Butts said staff needs consensus that the Board is okay granting the request from the courts for an increase in pay of the jury commissioners which would increase by about \$3000. Mr. Butts said there is already money in the budget to cover the request. The Board agreed by consensus to grant the request.

Mr. Butts said the 1/3 pay study would include human resources, public safety, and all the maintenance techs. The study is the first of the process of dividing up the pay study over three years. Ms. Miller said the hope is it becomes a continuation, and every department knows when they are on the schedule to be in the study.

Commissioner Delaney asked if any lessons learned from the cyber incident are reflected in these requests. Mr. LaMontagne said most of the things the County has implemented are already part of the operating budget. The County made significant changes after the cyber incident and did most of the things due to recommended processes by the County's insurance carrier. Mr. Butts said they have also done some things not directly tied to the cyber incident like upgrades made to other application systems in other departments.

Mr. Butts said staff need the consensus of the Board to move forward with a policy for a Cooperative Extension local salary supplement. The Board agreed by consensus.

The Board recessed for a 15-minute break.

The meeting resumed at 10:57 am.

Vice Chair Dasher said it seemed the Board of Elections preferred the election systems technician over the other positions that were recommended. Human Resources Director Courtney Jones said they requested the technician as the first priority. Mr. LaMontagne said staff did not see the technician as a full-time job. Ms. Jones said the MIS director said in the meetings that his department would still be doing a lot of geocoding so that reduced the ranking. Ms. Miller said geocoding is a different skill set and requires a GIS background. Budget Analyst Will Curvin said in his meetings with Elections they discussed that it was not a position that would have full-time duties throughout the entire year. Chair Howard asked if people were already doing this job. Mr. Butts said currently the MIS department provides that service. Chair Howard asked if it would be a part-time position. Mr. Thompson said they requested a full-time job but in all of the staff's analysis, there was no justification for a full-time position. Mr. Butts said there are IT contractors that contract out this work and that is a possibility staff would look into and fund that service out of contingency.

Chair Howard asked why the tax paralegal is a negative number. Mr. Butts said the position will actually generate more revenue in year one than the position will cost. Chair Howard asked if the revaluation appraisal position was temporary. Mr. Butts said it is a full-time temporary position.

Aging Services will have items on the agenda in June to close the transfer from a nonprofit agency into a county department. Vice Chair Dasher said the Council on Aging was governed by a board. He asked if the Board of Commissioners is going to have an advisory board once they become a County department. Ms. Miller said not at this time. They intended to move the board to a "friends" group similar to the Friends

of the Library. They realized that the board model would not be something they could sustain. They are now turning money over to the County with certain earmarks, so those will be earmarked funds when they are accepted by the County.

Vice Chair Dasher asked if there is a schedule for vehicle replacements for Chatham Transit. Mr. Butts said there has been a schedule but in the past couple of years that schedule has been obsolete because Chatham Transit would order a vehicle and then it would get canceled. The hope is to get back to a regular replacement schedule. They are also looking at alternate fuel technologies, but they are much more expensive. Mr. LaMontagne said the County does not buy vehicles for Chatham Transit. Chatham Transit purchases its vehicles, and it is done in conjunction with the NCDOT. Mr. Butts said staff have advised Chatham Transit that electric vehicles are a desire of the Board of Commissioners. Ms. Miller is on the Chatham Transit Board, and they also directed the executive director to look at electric vehicles. Mr. LaMontagne said when they opened the new facility the County allowed space for charging stations.

Clerk Lindsay Ray stated that any board member serving on the board of one of the nonprofit agencies recommended to receive funding must ask the Board of Commissioners to vote to excuse them from voting. The Board could then vote on that one agency's funding. Commissioner Kenlan questioned whether the amount of the total allocation has gone down. Budget analyst Erik Lindley said the actual total this year was \$305,000 but El Futuro was getting \$35,000 of funding through the health department. Commissioner Kenlan said in the 2000s the nonprofits were funded at a higher amount. She would like to know why the County does not use a percentage of the budget for nonprofit grants instead of having a fixed total each year. Mr. Butts said for several years the Board allocated \$200,000 for nonprofits each year. In 2018 the Board directed staff to move \$35,000 out of this process for mental health agencies. In 2019 the Board increased the total nonprofit grant allocation to \$250,000. In 2022, the Board directed the allocation to continually increase at the same percentage of the property tax increases. Mr. Butts said in 2023 the Board directed staff to set the allocation to be no less than the previous year but more if the percentage was higher.

Chair Howard said this may be the only money through the nonprofit allocation process but it doesn't mean it is the only way the County is supporting nonprofits. Mr. LaMontagne said Chatham's equity and community engagement officer Brenda Clegg is heading up the community partners group and it has helped the nonprofit community tremendously. Commissioner Delaney asked if any agency would not receive any funding. Mr. Lindley said every agency would get some funding if approved but no agency would receive zero dollars. Commissioner Delaney asked how many new agencies requested funding this year. Mr. Lindley said only two agencies.

Commissioner Delaney asked how these amounts were determined and if the County is mapping these out to strategic goals. Mr. LaMontagne said the human services group works to score these requests and that was setup by the Board of Commissioners several years ago. These agencies are all human services nonprofits. They are addressing goals for human services like food insecurity, housing insecurity, early childhood education, etc. Vice Chair Dasher said the Board had talked about a microgrant process around community building like the Moncure Food Truck Rodeo group. Chair Howard talked about the former community partners analyst's work. Mr. Thompson said that position worked on community building and placemaking. Mr. LaMontagne said staff can go back and look at the microgrant process again.

Commissioner Kenlan asked if there were any type of service criteria. She does not

see any environmental nonprofits getting funding. Mr. Butts said the nonprofit grant funding is solely for human services nonprofits. Mr. LaMontagne said many departments are working with agencies outside of this process. Parks and Recreation is working with many nonprofits using Article 46 money. Farmland preservation is another example of department-level work with nonprofit agencies.

Commissioner Delaney suggested making the outcomes publicly available. He is comfortable asking for more money and sending it back to the human services group to regroup but if that is not something that can be done at this time then the Board can have a higher level of conversation in the coming months. Chair Howard said she would be hesitant to go back to the table and go through the process a second time. Mr. Lindley said there may be an opportunity to address some of this with ARPA funds, of which there is \$1.4 Million available. Commissioner Kenlan appreciated Commissioner Delaney's comments, but she would like more time to evaluate and learn about the process before adding money to something.

Vice Chair Dasher disclosed he serves on Partnership for Children and has a familial conflict with the Arts Council and asked for the Board to excuse him from voting on those two awards.

A motion was made by Commissioner Kenlan, seconded by Commissioner Delaney, to approve all nonprofit grants with the exception of the Partnership for Children and the Chatham Arts Council. The motion carried by the following vote:

Aye: 5 - Vice Chair Dasher, Commissioner Delaney, Chair Howard, Commissioner Kenlan, and Commissioner Gomez Flores

A motion was made by Commissioner Delaney, seconded by Commissioner Gomez Flores, to excuse Vice Chair Dasher from voting on the nonprofit grants to The Partnership for Children and the Chatham Arts Council. The motion carried by the following vote:

Aye: 4 - Commissioner Delaney, Chair Howard, Commissioner Kenlan, and Commissioner Gomez Flores

Excused: 1 - Vice Chair Dasher

A motion was made by Commissioner Kenlan, seconded by Commissioner Delaney, to approve the nonprofit grants to The Partnership for Children and the Chatham Arts Council. The motion carried by the following vote:

Aye: 4 - Commissioner Delaney, Chair Howard, Commissioner Kenlan, and Commissioner Gomez Flores

Recuse: 1 - Vice Chair Dasher

The Board recessed for lunch at 12:15 pm.

The meeting resumed at 12:50 pm.

Mr. LaMontagne said the County was in a bad situation with inspectors and staff have adjusted some of the inspection pay schedules but even training is becoming difficult because it makes the department short-staffed. While staff have seen an increase in revenue over expenditures this year, the County will not see that every year. There has been an unusual amount of commercial development this year. Commissioner Delaney asked if the request addresses the level of expertise for both commercial and residential permitting and inspections. Mr. LaMontagne said more expertise is needed

for commercial inspectors.

Commissioner Delaney asked how the County develops small and mid-size businesses to fill that middle void between the massive industry projects. How can the County budget address both large and small to mid-size economic development? He is not clear on how the County is working on that piece. Mr. Thompson said there was a fund set up many years ago for small business loans and staff are looking at how those funds can be leveraged to help close those gaps. Mr. LaMontagne said the County is working with WebSquared and the CCCC Small Business Center to see how the County can address that issue. Commissioner Delaney said this could be on the agenda every other month for an update.

Vice Chair Dasher asked how the growth plan for Animal Resources works as far as how and when that gets implemented. Ms. Miller said there is one plan with detention and the animal resources plan is a draft. The purpose of having the plan is to estimate when positions have to be requested in the budget process. Human Resources relies on that department or office to say when the positions are needed. Chair Howard asked if there are openings at the Animal Resource Center. Ms. Jones said there are some attendant positions vacant. They just filled the vet tech position.

Vice Chair Dasher asked if there were unfilled positions in detention. Ms. Miller said this is the second consecutive year they have not requested positions identified in the staffing plan because of the current vacancies. Commissioner Gomez Flores asked if those positions were vacant because of salary. Ms. Miller said pay is part of it but it is an issue nationwide that people are not interested in that line of work. There is a shortage of qualified law enforcement and detention officers. It is a competitive salary issue, an affordable housing issue, difficulty recruiting, etc. There was an adjustment for detention salaries about three months ago to account for some of the shortages. Commissioner Gomez Flores said Siler City officers get paid more with their sign-on bonus. Mr. LaMontagne said that labor market is changing. Counties are raising revenue to increase salaries to the north and south of Chatham.

Vice Chair Dasher wondered what a 7% increase gets the County. Ms. Miller said a potential problem is what other places are doing. Staff works with the Sheriff's Office on a hiring structure formula that if an employee starts here and has a degree or experience, they move up in the hiring range. The 7% staff salary increase allows the County to move the hiring grades higher. The staff has always used the deputy sheriff's hiring rate to determine where the County's salary table should be. Vice Chair Dasher asked what a detention officer's salary is. Ms. Miller said three months ago the hiring rate was at \$39,900 but as an operational decision the County starts at \$44,000. Staff have always encouraged hiring over the hiring rate. They also moved to paid overtime instead of comp time. Mr. LaMontagne said the 7% will get the salary table moved 4.6% to move a deputy over \$47,000 but to the north of Chatham they are seeing \$50,000 for a deputy. Ms. Miller said the state is looking at 25% of their staff retiring in the next five years and no one is coming into the pipeline.

Vice Chair Dasher said the Sheriff said he had money he hadn't used that he could put toward pay. Ms. Miller said they do use that to hire above the hiring rate and have paid overtime. When people leave, the County has to pay for their vacation and comp time. Mr. LaMontagne said the County is already paying out comp time at the end of the year and using lapsed salary for that. Ms. Miller said they can't use that to raise salaries overall because it isn't money rolled over year after year. It is only available in the current fiscal year.

Chair Howard said the Board can't fix the labor pipeline and can't build houses, but it can do something about the salary. Vice Chair Dasher said the pay study is coming too. Is it going to be too late to stay competitive to wait for that to be done instead of doing something now? Mr. Butts said most of the jurisdictions surrounding Chatham are proposing a 6% to 11% pay increase. Ms. Miller said the County is having difficulty recruiting entry-level utility service workers, maintenance workers, solid waste drivers, animal shelter attendants, and collection center attendants. This problem is not isolated to the Sheriff's Office. Vice Chair Dasher said that information is why he struggles with treating one department differently from all others. Ms. Miller said the County has trouble recruiting people for positions on the lower end of the salary table. Mr. LaMontagne said a salary percentage increase is not as impactful for those on the lower end of the pay scale as it is for those on the higher end. A flat increase to the salary table across the board is more impactful to those on the lower end of the pay scale than those at the higher end. This is not a problem isolated to the Sheriff's Office. Ms. Jones is putting a tremendous amount of effort to keep good employees and move them to other positions, so we don't lose them to competitors. Chair Howard asked what it would look like to do the 7% salary increase as well as a flat rate increase. Mr. LaMontagne moving the salary table would help with recruitment and retention.

Ms. Miller said the Sheriff wants to get his hiring rate to \$52,000 a year. The pay table would have to be raised by 18%. The rest of the pay table would also need an increase to account for compression. Staff have talked about working with the Sheriff on offering more money for two-year degrees, four-year degrees, being bilingual, etc. You don't have to move the table as much if you have a retention formula and plan. Municipal police departments pay more in general because they don't have a school system as part of their budget which is the biggest portion of the county budget.

Ms. Miller said they could get Sheriff's Office deputies to \$49,000 with an 11% increase on the salary table. The Town of Pittsboro is paying \$44,000. Commissioner Gomez Flores asked how much the additional cost would be on the tax rate. Commissioner Delaney said he was hearing there was a desire to help the Sheriff with this problem. Chair Howard said the Board is not going to fix this problem, but it can help it. Vice Chair Dasher said he fully supports people getting paid for what their worth but does not support doing something that is not going to make a difference overall. Commissioner Gomez Flores asked if the provision that law enforcement can retire early is not an incentive. Ms. Miller said they are eligible to retire at age 55 with five years of service, 30 years at any age, and recently 25 years of service. Recently more people have asked if they have to pay into the retirement system because they want to opt out to get more money in their paycheck. She does not know that a pension is a carrot anymore. Ms. Miller said raising the salary table for the County's lowest-level employees would have a significant impact on the applicant pool and the ability to hire.

Mr. Butts said if the Board approved giving a flat rate increase the highest it could do in the same realm as that 7% salary increase would be \$4,400. Chair Howard clarified that the lowest-paid employee would see 7% plus \$4,400. Ms. Miller said that would have a significant impact on the take-home pay of the lowest-level employee. Ms. Jones said with the lower-paid employees the County is competing with fast-food establishments. When Wolfspeed and VinFast come on board the County is going to lose some really great employees. Mr. Butts said the vast majority of staff benefit more from the flat rate than the percentage increases. Ms. Jones said moving the salary table by 11% will finally get the County's lowest-paid employees over \$15/hr.

Chair Howard asked questions about the Board of Elections salaries. The elections

specialist got a pay study increase in FY22 from \$30,351 to \$34,800 and six months later they were moved to \$37,500 and are currently making \$39,000. With the formula just discussed it would move them to \$47,000.

23-4778

Other Funds

Mr. Thompson said staff have been working with the different fire departments to talk about their future capital needs. Mr. Butts said a lot of their capital purchases are not new but new to them, for example a used ladder truck. Commissioner Kenlan said they also go after grants to help with funding and hold fundraisers.

23-4779

Discussion

Mr. Butts reminded the Board that the salaries for the Board, the County Manager, the Sheriff, and the Register of Deeds are set by the Board of Commissioners and are typically separated from other staff salaries in the budget ordinance. The last couple of years those specific salaries have been given the same percentage salary increase as all county employees who meet expectations. The recommended budget includes a 7% salary increase for the Board of Commissioners, the County Manager, the Sheriff, and the Register of Deeds.

Mr. LaMontagne praised the budget and human resources teams for their work with departments to get the recommended budget together. He also thanked the Board for their support of the County staff.

Chair Howard suggested that those last four special salaries only receive the 7% salary increase and not the additional \$4,400 flat rate increase. Vice Chair Dasher asked if the \$4,400 flat rate increase had to be applied across the Board. Ms. Miller explained that they must account for compression and the \$4,400 increase across the board makes the pay table more equitable.

Chair Howard said the Board is trying to do two things, help retain the staff already here and entice new people to come to Chatham to work. Commissioner Delaney asked if increasing the salaries would attract Chatham County residents to apply for jobs with the Sheriff's Office. Ms. Miller said she thought so but having a Basic Law Enforcement Training course in Chatham is also needed to recruit county residents. Commissioner Delaney said he would like to come back tomorrow and hear from the Sheriff and from the Board of Elections as to how this would translate for them. Commissioner Kenlan said she did not see a need to hear anything additional from those departments. Chair Howard said money is not going to fix the problem. The Sheriff is going to have to build a program that encourages people to come into that space. The Board does not have control over how the Sheriff recruits and develops his program. The Board does have control over salaries.

Commissioner Kenlan said the one-on-one budget discussions helped her going into today's meeting. The County has good people that they want to retain. If there is going to be a tax increase, why not make it as impactful as possible? Commissioner Delaney said he had full confidence in staff and their expertise, but he believes additional conversations are needed with the Sheriff. Vice Chair Dasher said the Sheriff and Board of Elections have both already made their case. He does not feel there is more information they could provide that would make him understand the situation differently. It is the Board's budget now and it is time to make hard decisions. Mr. LaMontagne said the Sheriff met with staff as well and asked for a 20% increase across the board for his staff. He is of the understanding that the Sheriff asked the

same thing of the commissioners when he met with them individually. Mr. LaMontagne said 86% of County staff are below the midpoint of \$68,000 a year and would see a 14% increase. Only 93 employees are above that and they would not see as high an increase. Chair Howard said it is not the Board's job to single out individual departments or positions but to do something more holistic by addressing the entire salary table. Commissioner Kenlan said raising the pay table would have a huge impact on morale.

Commissioner Gomez Flores asked the other Board members how they felt about the 7% plus the \$4,400 flat rate. Commissioner Howard and Commissioner Kenlan said they were inclined to implement both increases. Commissioner Delaney asked how that would address the Sheriff's request. Ms. Miller said the 7% and \$4,400 increases would still be below the 20% increase requested by the Sheriff but gets close. Commissioner Delaney asked how last year's approved budget compared to this recommended budget. Mr. Butts said there is a 7.5% increase this year over last year. He added that more surrounding counties are increasing taxes this year than are not and are also increasing compensation. Chair Howard said she is more than willing to stand behind raising taxes for the reasons discussed today.

Commissioner Gomez Flores said he appreciated the work everyone did but was disappointed with the options presented. He asked why there wasn't an option for a decrease and why the Board was only presented with options for increases when three members of the Board said they did not want a tax increase. Commissioner Kenlan said she didn't think they lived in a county with those values. They live in a county with residents who want good schools, libraries, and health services. Vice Chair Dasher said the Board never said it wanted to cut taxes as an option. It would always be a discussion to raise taxes. Chair Howard said the Board gave staff direction to come back with a recommendation that did not include raising taxes as well as recommendations for what a one to two-cent increase on the tax rate would look like. Staff presented a balanced budget with no tax increase but then the Board received new information and now staff is providing new information the Board has requested.

Commissioner Delaney asked the Board to come back together to discuss what the goal was for today and what they would focus on tomorrow. Commissioner Kenlan and Chair Howard said they did not think an additional day was necessary. Commissioner Delaney said he was not ready to vote on anything. He was interested in continuing the conversation with the Sheriff and the Board of Elections tomorrow.

Commissioner Kenlan made a motion to direct staff to move forward with the 7% raise plus the \$4,400 flat rate increase for employees all employees.

Vice Chair Dasher said the Board also has to consider how the cost of living is going up and taxpayers are already struggling. Mr. Butts said Chatham's current tax rate is right in the middle of all 100 counties. Commissioner Delaney asked if teachers were considered in this discussion about salary increases. Chair Howard said the teacher supplement request is already included in the recommended budget. Vice Chair Dasher said it is not the fault of anyone in the discussion today that a lot of this discussion could have happened much earlier than now.

Commissioner Gomez Flores said he would like some changes in the budget calendar like having community meetings around the county prior to a recommendation being made. Mr. LaMontagne said a lot of information came late and very urgently. He would have loved to have had this information sooner. Vice Chair Dasher thought this was a good, recommended budget but it would be a better budget after today because folks

would see such a significant increase. He pointed out that everyone fought for Medicaid expansion and now that we have it the General Assembly passed all the responsibilities on to the counties and one-quarter of the recommended positions were to address that expansion.

Commissioner Delaney wanted to bring back up the Board of Elections request. He wants the staff to have time to make recalculations and present a revised document. Mr. LaMontagne said the only changes the staff had really heard today were around employee compensation with the addition of the \$4,400 flat rate increase on top of the 7% increase. Commissioner Delaney said he would still like to discuss the machine tech position that was not recommended for the Board of Elections and how the discussions today around salaries address their request. Chair Howard felt the conversation for today was to make the salary change and approve the rest of the budget as recommended. Vice Chair Dasher said he was comfortable with the process that staff uses for approving or not approving expansion requests and to pick one department and treat them differently made him uncomfortable.

Mr. LaMontagne said the Board would also need to set the appropriation for the Board of Elections. Ms. Miller explained what requests came through the budget process versus what came to the commissioners at the work session. Mr. Butts explained that the request from the Board of Elections was to increase the director's salary and pay overtime at the director's hourly rate of \$38 an hour. He said staff recommended increasing the director's overtime pay equal with the rate of other site managers which is \$1.50 an hour. Currently, the director receives an overtime rate of \$15 an hour and the recommendation was to increase it to \$16.50 an hour. There was further discussion about how the financial allocation works for the Board of Elections as far as the director's salary and other salaries and benefits. Ms. Miller clarified that the Board would set a specific salary for the director of Elections and then could allocate a total amount of funding for "other salaries and benefits" that would be managed by the Board of Elections to determine what compensation the other positions would receive. Mr. Butts said that is not how the election salaries were broken out in the last budget ordinance, but the Board can direct staff to do it that way for the FY 24 budget ordinance.

Commissioner Delaney said that like the situation with the Sheriff, the Board of Elections situation is largely a communication issue. His concern is the Board of Commissioners approving a dollar amount that substitutes its judgment on what constitutes the ability to provide good elections. He asked for County Attorney Bob Hagemann's input. Mr. Hagemann reviewed the law and Chatham's specific situation and referred to the memo he recently sent to the Board that he previously provided the Board of Elections last November. He said there are two different categories under the law. The statute says the director's salary shall be an amount recommended by the Board of Elections and approved by the Board of Commissioners. Mr. Hagemann had communicated with Paul Cox, the attorney for the State Board of Elections, and they read the statute differently. Mr. Hagemann is confident in his opinion, and he asked Mr. Cox what he believed would happen if the Board of Elections and the Board of Commissioners could not agree. Mr. Cox said he believed the two boards would come together to make some kind of agreement or compromise. Mr. Hagemann said there is nothing in the statute that establishes a dispute resolution. Bob Joyce with the UNC School of Government used the analogy of a Board of Education and its Superintendent. There is a provision in the statutes where the Superintendent makes recommendations that must be approved by the Board of Education. There was an Attorney General opinion that said the Board of Education has the final say.

Mr. Hagemann concluded that the Board of Commissioners has the final say in setting the Board of Elections director's salary. There are criteria in the statute that mandate a comparison to comparable counties based on population and number of registered voters. In a Court of Appeals opinion, the court identified a number of additional factors that should be taken into consideration. It is hard to distill a clear test from that opinion because the Court used languages such as "may include" for a list of factors. Mr. Hagemann reads that as not necessarily mandating consideration of all those factors, and it is not even an exhaustive list of factors. He knows Ms. Miller has done an analysis and based on what she provided him, he is comfortable and confident that in that statutory framework the recommendation is legally defensible. That is for the director's salary. The law does not specify how salaries are set for other employees. It gives that authority to the Board of Elections. They get to decide what to pay other employees, but it is within available appropriations, which is the Board of Commissioners' role. The Board of Commissioners must decide how much to appropriate to the Board of Elections to make available for salaries. Not including the director, the Board of Elections currently has two full-time and one half-time employees. If the Board of Elections wanted to carve that up and make it five half-time positions they could. Mr. Hagemann's understanding from today's discussion is that the methodology used to allocate for the other employee salaries line item would be to use current salaries plus the 7% and \$4,400 increases for those positions.

Commissioner Delaney asked where that methodology came from. Ms. Miller explained how salaries are requested and determined for the recommended budget. For the salaries of the other employees (not the director), the staff does internal comparisons and looks to see if the positions are classified correctly. As part of the budget process departments can ask for a position to be reclassified. The Board of Elections did request a reclassification last year and also this year. The two full-time employees got reclassified with the pay study and also in the 2022-2023 budget. The reclassifications they submitted this year were not recommended in this budget. Ms. Miller said the proposed 7% and \$4,400 increases brings those election employees to the level the Board of Elections asked for last year. This year, without much justification, they requested an increase of \$10,000 for both of the full-time employees and that would produce inequities internally.

Vice Chair Dasher said he would feel differently if the Board of Elections had said it needed twenty new machines to run good elections. That kind of request is different from saying they need more to be able to do their jobs. He does not disagree that they should be paid more but he believes all staff should be paid more. To talk about separating out one department and treating them differently makes him nervous. Commissioner Delaney said he wants to see the Board of Elections' full request funded. He believes funding their request is pennies on the dollar in the grand scheme of things. Vice Chair Dasher asked why this department should be treated differently. Chair Howard said all departments should be treated the same. The Sheriff came late with a request to increase all of his employees' pay and that request prompted the Board to discuss the need to increase salaries across the board. The conversation is the same for the Board of Elections request. They can't treat specific departments differently.

Commissioner Gomez Flores said that the Board is treating teachers differently by providing the supplement. Chair Howard said the teacher supplement is going to all teachers. They are not funding a certain group of teachers differently than the rest. Vice Chair Dasher asked what if the Recreation Advisory Committee all came to a Board of Commissioners meeting and said parks staff need to be paid more and their expansion requests were not recommended. He thinks that puts the Board in a weird

spot where it is interfering with a very well-established process for compensating staff and requesting additional staff. Commissioner Delaney said the Board of Elections is a unique entity under the law and he feels that justifies fully funding the request. The low cost of this request will have a huge impact on the relationship with the Board of Elections and help make Chatham's elections even better. Chair Howard said it is not a low-dollar cost. If the Board of Commissioners changed the Board of Elections pay scale, then the Board of Commissioners would change it for everyone.

Commissioner Gomez Flores said he is concerned about equality in the west. He said he reviewed the Parks and Recreation events and there were 26 in the east and only four in the west and only one of the four was free. He is not in favor of arts being included in Parks and Recreation. He has raised this issue several times and he has not seen any progress. Chair Howard asked if Parks and Recreation received requests that were denied. Commissioner Gomez Flores said no. Chair Howard said as the liaison to the Recreation Advisory Committee he has an opportunity to advocate for additional things in the west and then bring it to this Board to seek funding. Commissioner Gomez Flores said he has been doing that. Commissioner Kenlan said he had not come to them with concrete problems as well as solutions and that being more specific could give the Board something to grab onto. Mr. Thompson asked if the frustration was around not enough athletics in the west or recreation events. Commissioner Gomez Flores said a combination of both. Mr. Thompson explained that the County does provide funding to community groups, some in the west, who are already providing athletics. Mr. LaMontagne said he can talk to the Parks and Recreation staff to find out why there are fewer offerings in the west because he knows there will be justification. Chair Howard said she would be happy to meet with Commissioner Gomez Flores and the Parks and Recreation director to figure out how the Board of Commissioners can be helpful and address his concerns.

Vice Chair Dasher made a motion to direct the manager to come back with a revised budget that includes the recommended budget plus the additional \$4,400 flat increase for all employees and only the 7% increase for the county manager, Sheriff, Register of Deeds, and the Board of Commissioners. Commissioner Kenlan seconded the motion.

Commissioner Delaney requested the motion include fully funding the Board of Elections request. He would like the Board to come back tomorrow to hear from the Sheriff, the Board of Elections, and the schools. He asked Vice Chair Dasher if his direction to staff is to come back tomorrow to see the updated document. Vice Chair Dasher said that was not his intention. He does not know that meeting with them tomorrow would give him any additional information to change his thinking.

Commissioner Delaney said at the start of the meeting a tax increase was not a consideration. Over the day the conversation changed to consider a tax increase. He did not feel ready to vote on that big of a change without more discussion. Vice Chair Dasher said his motion includes the \$4,400 for all employees. Commissioner Delaney asked if Vice Chair Dasher would consider a friendly amendment to ask staff to come back with a revised budget document tomorrow for consideration. He would like to discuss what the additional dollar amount would be to fully honor the Board of Elections request. He worries that by not fully funding their request the Board is seen as intentionally sticking to some kind of past thinking or perspective. Mr. LaMontagne said the machine tech was not recommended and staff could see what it would take to fund that. Mr. Butts said he wanted to make sure he understood Vice Chair Dasher's motion. It included the \$4,400 increase for all employees except the county manager, Sheriff, Register of Deeds, and the Board of Commissioners, all of whom would only

get the 7% increase. Vice Chair Dasher confirmed that was his motion. Mr. Butts said with a two-cent tax increase that would give the County an excess of \$65,990.

Commissioner Delaney asked if the Board of Elections salary line item included the cost of their temporary staff during elections. Mr. Butts said the way the budget ordinance is written this year, and they may have to revise it, is for the appropriations for the Board of Elections to be regular salaries (permanent positions), then other salaries and benefits (temporary positions), and benefits. He believes based on the county attorney's guidance the ordinance would be revised to have allocations for the director's salary, other regular salaries, and other salaries and benefits. Mr. Butts said with the \$4,400 increase it would get the Board of Elections director to the salary requested at the last meeting. Mr. LaMontagne said if the Board wanted to include machine tech it could be funded in the two-cent tax increase.

Mr. Butts clarified Vice Chair Dasher's motion included only the 7% increase and not the \$4,400 increase for the county manager, Sheriff, Register of Deeds, and Board of Commissioners. Vice Chair Dasher said that was correct and he would be willing to amend his motion to include the addition of the machine tech for the Board of Elections as recommended.

Clerk Lindsay Ray clarified that the amended motion was to direct the manager to come back with a budget that includes the recommended budget, plus the additional \$4,400 increase for all employees with only a 7% increase for the county manager, the Sheriff, the Register of Deeds, and the Board of Commissioners and approve Board of Elections staffing request that was not recommended.

Mr. LaMontagne said essentially the Board of Elections appropriation will include the additional position that was not originally recommended. Mr. Butts asked the Board to clarify that it wanted the additional Board of Elections position to be funded for a full year. The Board agreed.

Commissioner Delaney asked if the goal was to not meet again tomorrow and get a new budget ordinance on June 20th. Vice Chair Dasher and Chair Howard said yes. The Clerk reminded the Board it also has a June 5th meeting. After some discussion Vice Chair Dasher amended the motion to direct staff to bring the revised budget on June 5th so the public can hear about a potential tax increase.

Commissioner Delaney said he would still like to hear more from the Sheriff and the Board of Elections. Mr. Butts asked what the Board would like to see from staff on June 5th. The Board agreed it would like to see a presentation that highlighted the proposed changes. Chair Howard said the message that needs to be shared with the public is that the Board met about the challenges around salaries and felt there was a bigger picture there and the Board felt inclined to address this deficiency through increasing taxes. It was a difficult decision in complicated times but essential. Mr. LaMontagne said staff can also include in the presentation what a tax increase would look like for a homeowner. He said he wanted to publicly apologize that information came to the Board so late. The Board agreed that was not the fault of the staff.

The Clerk said she had not recorded the vote. The Chair called for the vote.

A motion was made by Vice Chair Dasher, seconded by Commissioner Kenlan, to direct the manager to come back with a revised budget on June 5th that includes the recommended budget plus the additional \$4,400 flat rate increase for all employees with the exception of the manager, Sheriff, Register of Deeds, and the Board of Commissioners who would receive only the

recommended 7% increase, and include the Board of Elections position (Machine Tech) that was not recommended as part of the Board of Elections appropriation, all of which would equal a two-cent property tax increase. The motion carried by the following vote:

Aye: 5 - Vice Chair Dasher, Commissioner Delaney, Chair Howard, Commissioner Kenlan, and Commissioner Gomez Flores

ADJOURNMENT

A motion was made by Commissioner Kenlan, seconded by Vice Chair Dasher, that the meeting be adjourned. The motion carried by the following vote:

Aye: 5 - Vice Chair Dasher, Commissioner Delaney, Chair Howard, Commissioner Kenlan, and Commissioner Gomez Flores